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DEPARTMENT OF STATE

44058

WASHINGTON

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Dear Admiral Hillehkoetter:

There was recently a flurry of comment in West Coast newspapers regarding Russian penetration into the fisheries of the West Coast of Latin America.

To the best of this office's information this flurry was set off, not by any new information, but as the result of a successful attempt by Mr. Donald P. Loker to draw a red herring across the path of an Interim Committee of the California State Legislature which was investigating domestic aspects of the California fishing industry.

Nevertheless, Mr. Loker received, and forwarded to this office, the enclosed letter from Mr. Merkel indicating a bona fide worry on his part that Russian-Mexican fishery negotiations are in progress or in prospect. In reading this letter it should be kept in mind that Captain Saldana may quite possibly be playing on the fears of Mr. Merkel in order to drive a sharper bargain.

On the other hand, it is known to Naval Intelligence that there is a distinct possibility that Russian intelligence in the Latin American area is being forwarded by certain elements in the American tuna fleet who have pro-Russian sympathies, in particular elements in the purse seine fleet that are of Yugoslavian origin.

This office would appreciate a report on:

- (1) Whether the suspicions indicated by Mr. Merkel concerning Russian-Mexican fishery negotiations have any basis in fact.
- (2) Whether there are any similar negotiations between Russia and any other western Latin American countries either in progress or in prospect.

Sincerely yours,

For the Secretary of State:

Enclosure:

From Mr. Loker  
December 20, 1948

W. M. Chapman  
Special Assistant to the  
Under Secretary

Rear Admiral B. H. Hillehkoetter, Director,  
Central Intelligence Agency,  
Approved For Release : CIA-RDP78-01617A000200190002-4

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